

REMARKS/ARGUMENTS

Prior to this amendment, claims 1-17 and 19-21 were pending. In this amendment, claims 1, 8, 15, 16, and 21 are amended, no claims are canceled and no claims are added. No new matter is added. Thus, after entry of this amendment, claims 1-17 and 19-21 are pending.

I. Examiner Interview

On November 13, 2008 a telephonic interview was held between the Examiner and the undersigned. During the interview, the rejection under 35 USC §112 was discussed. In addition, the rejections over the cited references were discussed. The undersigned sincerely thanks the Examiner for his time and careful consideration of the arguments presented.

II. Claim Rejections - 35 USC § 112, second paragraph

Claims 5, 6, 13, 16, 17, 19, and 20 are rejected under 35 USC §112, second paragraph as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as his invention. This rejection is respectfully traversed.

The Office Action alleges that the phrases "inter-company elimination" and "NCI elimination" are vague and indefinite. The Office action alleges the phrases are not properly defined in the claims or the specification. The Office Action further alleges the phrases would not be known to one of skill in the art. Applicants submit that the phrases are both defined in the specification and would be known to a person of skill in the art.

For example, paragraph 4 of the specification recites:

[0004] Consolidation is the combination of accounts of multiple source ledgers into one consolidated ledger. These multiple source ledgers may contain accounts of a parent company and all subsidiaries within a single business entity. Referring to FIG. 1a, a conventional consolidation system is shown. Typically, data entries from the multiple source ledgers are sent to the consolidation ledger 102. Then, the consolidation processor 104 performs consolidation processing on the consolidation ledger 102 entries. The consolidation processor 104 usually comprises **an inter-company eliminations module 106 for performing inter-company eliminations (i.e., elimination of activities between two subsidiaries of the same business entity), a NCI eliminations module 108 for performing non-controlling interest eliminations (i.e., elimination of equity of subsidiary against a parent investment)**, and an equitization module 110 for reflecting net income of a subsidiary on a parent's ledger. Once the consolidation

processing is complete, results are output to a journal 112, and posted by a post module 114 back to the consolidation ledger 102.

(emphasis added). As is recited in the above paragraph, an inter-company elimination is elimination of activities between two subsidiaries of the same business entity. Likewise, an NCI elimination is an elimination of equity of a subsidiary against a parent investment. As such, applicants have set forth a definition for the above phrases which would be understood by a person of skill in the art. Withdrawal of this rejection is respectfully requested.

III. Claim Rejections - 35 USC § 103(a), Knudtzon

Claims 1-17 and 19-21 are rejected under 35 USC §103(a) as being unpatentable over *Knudtzon* (U.S. Patent No. 7,120,597). Applicants respectfully submit that *Knudtzon* does not teach or suggest each and every limitation of the claims. This rejection is respectfully traversed.

Each and every limitation of claim 1 as amended is not taught or suggested by *Knudtzon*. For example, amended claim 1 recites:

A system for consolidating adjustments comprising:
an accounting adjustment journal configured for receiving at least one accounting adjustment entry, wherein said accounting adjustment journal is separate from an accounting consolidation ledger;
a proforma accounting consolidation processor configured for processing the accounting consolidation ledger and the at least one accounting adjustment entry to create at least one consolidated accounting adjustment entry that is responsive to the at least one accounting adjustment entry and the accounting consolidation ledger;
an accounting pending journal configured for storing the at least one consolidated accounting adjustment entry, wherein said accounting pending journal is separate from said accounting consolidation ledger and said accounting adjustment journal;
an inquiry module configured to display an accounting consolidation ledger balance as it would be calculated if the at least one accounting adjustment entry and the at least one consolidated accounting were posted to the accounting consolidation ledger; and
a post module configured to post the at least one accounting adjustment entry and the at least one consolidated accounting adjustment entry to the accounting consolidation ledger after a user has reviewed the accounting consolidation ledger balance.

(emphasis added). Such limitations are not taught or suggested by *Knudtzon*.

Knudtzon describes an overlay system which allows service providers to enter adjustment data which is combined with data that has already been entered into a general ledger. (Column 7, lines 19-35). The overlay systems combines overlay adjustment data with the overlay general

ledger to obtain adjusted overlay general ledger data, which can be filtered, sorted and/or formatted by the overlay report system to obtain overlay reports. (Column 7, lines 56-61). The overlay system allows for the overlay adjustment data that was entered by the user to be stored in an overlay adjustment journal for later use. (Column 8, lines 58-61).

Knudtzon does not teach or suggest as recited in claim 1, "*an inquiry module configured to display an accounting consolidation ledger balance as it would be calculated if the at least one accounting adjustment entry and the at least one consolidated accounting were posted to the accounting consolidation ledger.*" At best, *Knudtzon* describes generating reports based on overlay adjustment entries and the overlay general ledger. This does not teach or suggest calculating balances on the general ledger.

Furthermore, *Knudtzon* does not teach or suggest, as recited in claim 1 "*a post module configured to post the at least one accounting adjustment entry and the at least one consolidated accounting adjustment entry to the accounting consolidation ledger after a user has reviewed the accounting consolidation ledger balance.*" At best, *Knudtzon* describes keeping the overlay adjustment entries in an overlay journal within the overlay system. *Knudtzon* does not teach or suggest posting the adjustment entries into the non-overlay general ledger. *Knudtzon* actually teaches away from posting overlay system entries into the general ledger. (Column 5, lines 34-41).

Knudtzon does not teach or suggest all of the limitations of claim 1 or the claims that depend therefrom, and as such cannot render the claims obvious for the reasons set forth above. Withdrawal of the rejection of claim 1 and the claims that depend therefrom is respectfully requested. The remaining claims contain limitations that also are not disclosed, taught, or suggested by *Knudtzon* for reasons including those set forth above with respect to claim 1, and thus are not rendered obvious for at least some of the same reasons as presented above. Applicants therefore respectfully request that the rejections with respect to these claims be withdrawn.

IV. Amendment to the Claims

Unless otherwise specified or addressed in the remarks section, amendments to the claims are made for purposes of clarity, and are not intended to alter the scope of the claims or limit any equivalents thereof. Support for the claim amendments can be found throughout the specification, including such places as paragraph 37 and Fig. 2(a). No new matter is added.

CONCLUSION

In view of the foregoing, Applicants believe all claims now pending in this Application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested.

If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 415-576-0200.

Respectfully submitted,

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